

REGIONAL ISSUES

Compact of Free Association

Postal Services and Related Programs

**Amendment to Article VI of the
Federal Programs and Services
Agreement Between the
UNITED STATES OF AMERICA
and PALAU**

Signed at Honolulu September 3, 2010



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“...the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

PALAU

Regional Issues: Compact of Free Association Postal Services and Related Programs

*Amendment to Article VI of the Federal Programs and
Services Agreement;*

Signed at Honolulu September 3, 2010;

Entered into force September 19, 2018.

Appendix E(1):

**Agreement Between
the Government of the United States of America
and
the Government of the Republic of Palau
to Amend Article VI of the Federal Programs and Services
Agreement Concluded Pursuant to Article II of Title Two and
Section 232 of the Compact of Free Association**

The Government of the United States of America and the Government of the Republic of Palau hereby agree to amend Article VI of the Federal Programs and Services Agreement Concluded pursuant to Article II of Title Two and Section 232 of the Compact of Free Association, signed at Palau on January 10, 1986 (the Compact), to read as follows:

**Article VI
Postal Services and Related Programs**

1. The Government of Palau shall maintain responsibility pursuant to its laws and regulations for all local postal services.
2. The Government of Palau shall be responsible for all its own postal staff, facilities and equipment.
3. The Government of Palau shall issue postage stamps and other prescribed postal indicia, which shall be used for prepayment of postage rates and other postal charges on all mail originating in its territory, except for mail sent through the military postal system provided for in Article VII of the Status of Forces Agreement Concluded Pursuant to Section 323 of the Compact of Free Association.
4. The United States Postal Service (USPS) shall provide the following services for the Republic of Palau through Fiscal Year 2024 commencing on the effective date of this Agreement without compensation by the Government of Palau; provided that the United States Postal Service is reimbursed for the provision of such services from funds appropriated by the United States Congress in implementation of this Agreement:
 - (a) maintain a reasonable and cost effective level of service for conveyance of mail to and from the United States and the Palau International Airport at Arai;
 - (b) dispatch, documentation, statistical, accounting, and settlement operations in connection with the international exchange of mail with other countries;
 - (c) Express Mail, except that no service guarantee will be provided; registered mail; and insured parcel service; and

(d) technical assistance as provided in paragraph 16 of this Article.

5. As of the effective date of this Agreement, COD (cash on delivery) will no longer be available and, one (1) year after the effective date of this Agreement, USPS Money orders will no longer be available. Services requiring delivery scans or electronic signature capture will also not be made available for mail addressed to ZIP codes in Palau.

6. The Government of Palau shall undertake to protect the postal services provided by the Government of the United States from use that is inconsistent with mailing standards as set forth in the Domestic Mail Manual and International Mail Manual or that involves the shipment of commercial goods for direct or indirect resale outside the Republic of Palau. The USPS shall notify the President of the Government of Palau in writing of any such instances of which the USPS becomes aware. The Government of Palau shall reimburse USPS for all expenses, including but not limited to, air transportation costs, directly related to any such use as determined by the USPS following consultation with the Government of Palau. Reimbursement shall be made by cashier's check made payable to the USPS no later than ninety (90) days after the USPS invoice for reimbursement is transmitted to the Government of Palau.

7. The Government of the United States shall provide mail service pursuant to this Article with the understanding that the volume of mail may increase in proportion to population increases and ordinary growth of local commercial enterprise. If, after the effective date of this Agreement, there is an increase in the volume of mail serviced by the USPS relating to Palau in a fiscal year (October 1 through September 30) that exceeds the average volume of the preceding three (3) fiscal years by more than twenty percent (20%), the Government of Palau shall reimburse the USPS for the costs incurred for the volume in excess of twenty percent at the rate paid by the USPS in transportation costs plus ten percent (10%) of those costs for administrative expenses. At five-year intervals after the effective date of this Agreement, the volume figure of twenty percent and the reimbursement provisions of this paragraph will be reviewed by both parties at the request of either party.

8. The Government of Palau shall ensure that all mail turned over to the USPS for conveyance to the United States or other countries complies with the postal conventions to which the United States adheres and with the postal laws and regulations of the United States. International documentation (parcel bills for registered and insured parcels, letter bills for registered letters, and AV-7/CN-38 manifests for Express Mail) shall be required for those special services provided between the exchange office of the Republic of Palau and designated exchange offices of the United States. Pursuant to paragraph 16 of this Article, the Government of the United States shall, upon request, assist the Government of Palau in developing local practices and procedures to fulfill the requirements of this paragraph.

9. Pursuant to this Agreement mail shall be exchanged at the exchange office designated in this paragraph, and outgoing mail from the Republic of Palau shall be merged with United States mail for conveyance to the United States or to other countries. Such outgoing mail from the Republic of Palau shall be treated as though it were mail from the United States for dispatch, documentation, statistical, accounting and settlement operations with other countries. The designated exchange office shall be located at the Palau International Airport at Arai.

10. The Government of Palau may determine postal rates for internal mail to local addresses within the Republic of Palau.

11. After the effective date of this Agreement, the Government of Palau shall be responsible for determining the postal rates for mail being sent from addresses in the Republic of Palau to addresses in the United States and to other countries. The floor established for postage rates of mail from the Republic of Palau to the United States shall be the published United States domestic postage rates at the time. The floor established for postage rates of mail from the Republic of Palau to countries other than the United States, shall be the published United States standard international postage rates at the time. The Government of Palau may agree to establish a floor of United States domestic postage rates for mail exchanged between addresses of the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. If, after the effective date of this Agreement, the USPS experiences severe losses as a result of providing postal services to the Republic of Palau pursuant to this Article, the USPS and the Government of Palau shall consult at the request of the USPS to find mutually acceptable measures to address the losses suffered by the USPS. If the USPS and the Government of Palau cannot agree on mutually acceptable measures to address the losses, the USPS may establish special cost-related rates or may opt to establish standard international rates and classifications for mail from the United States to the Republic of Palau, provided that international rates will be phased in over a period of not less than five (5) years, beginning no sooner than 2014.

12. Revenues derived from the sale of stamps issued by the Government of Palau for postal services or for philatelic purposes shall be retained by the Government of Palau. The Government of Palau agrees to provide, pursuant to its constitutional processes, adequate funding for the operation of its postal services in a manner which will allow the USPS to perform its responsibilities under this Agreement in an efficient and economical manner, with any disputes arising under this paragraph to be resolved pursuant to Article II of Title Four of the Compact.

13. Liability for the loss of registered and insured items shall rest with the Government which, having received it without comment, cannot prove either delivery to the addressee or correct transfer to another administration. Pursuant to paragraph 16 of this Article, the Government of the United States shall, upon request, assist the Government of Palau in developing local practices and procedures to fulfill the requirements of this paragraph.

14. The Government of Palau shall not impose any terminal dues or other charges on the USPS or the postal administrations of any other governments for mail conveyed to the Republic of Palau by the USPS pursuant to this Agreement.

15. One (1) year from the effective date of this Agreement, the Government of Palau shall discontinue the sale of Postal Money Orders on USPS forms in accordance with USPS regulations. One (1) year from the effective date of this Agreement, the Republic of Palau shall return to the USPS all devices, USPS money order forms, and supplies used for the imprinting of Postal Money Orders and shall remit to the USPS all amounts collected in conjunction with the issuance of Postal Orders issued on USPS forms, including the Postal Money Order fees.

16. Pursuant to this Agreement the USPS may provide such technical assistance (including technical assistance to provide any employee training) as the USPS and appropriate officials authorized to act on behalf of the Government of the Palau mutually agree to be necessary and appropriate. This technical assistance would not require compensation from the Republic of Palau, provided that USPS is reimbursed the costs of such technical assistance from funds appropriated by the United States Congress. In addition, appropriate officials of the Government of Palau shall consult with the USPS with regard to fiscal planning and postal administration for the purpose of promoting economical and efficient postal services and programs.

17. United States Postal Service Inspectors, in concert with the Republic of Palau law enforcement agencies, shall be authorized to investigate any incident, issue or claim regarding mail originating from the United States destined for the Republic of Palau, and to seek reimbursement for any cost associated with such investigations.

18. The obligations of the Governments signatory to this Agreement under this Article shall terminate September 30, 2024. Prior to the termination of this Agreement, the USPS and the Government of Palau shall enter into bilateral arrangements to establish mutually acceptable terms and conditions for the exchange of the mail between the United States and the Republic of Palau.

19. If the Government of Palau is interested in joining relevant international or regional postal organizations, it shall give advance notice to the Government of the United States, including the USPS. As mutually agreed, the United States shall assist the Government of Palau in acquiring membership in relevant international or regional postal organizations.

This Agreement to amend Article VI of the Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two and Section 232 of the Compact of Free Association shall enter into force on the date of the last note of an exchange of diplomatic notes by which the Government of the United States of America and the Government of the Republic of Palau inform each other that all internal procedures necessary for its entry into force have been fulfilled. This Agreement may be amended by the Government of the United States of America and the Government of the Republic of Palau at any time by mutual written agreement. This Agreement shall remain in force through September 30, 2024, subject to Article IV, Title Four of the Compact.

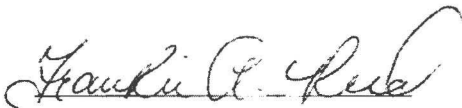
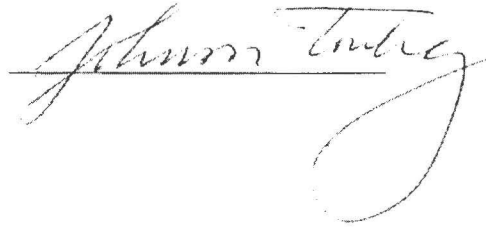
Agreement Between
the Government of the United States of America
and
the Government of the Republic of Palau
to Amend Article VI of the Federal Programs and Services
Agreement Concluded Pursuant to Article II of Title Two and
Section 232 of the Compact of Free Association

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE AT Honolulu, USA, in duplicate, this 3rd day of September, 2010, in the English language.

FOR THE GOVERNMENT
OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT
OF THE REPUBLIC OF PALAU:

A handwritten signature in cursive script, appearing to read "Franklin D. Roosevelt", written over a horizontal line.A handwritten signature in cursive script, appearing to read "John T. Tait", written over a horizontal line.